

## Simeen Gaidhar-Bhanji, Financial Expert Columnist



Simeen Gaidhar-Bhanji, CA is a Partner of Simeen Bhanji Chartered Accountant that offer a variety of services to corporations and individuals ranging from tax planning and consulting, compilation, reviews and audits of financial statements, corporate and personal tax returns, GST/PST services, and consulting for internal control, financing and tax.

### The newest trait of young, aspiring business owners is enthusiasm

Being a young entrepreneur, I enjoy working with young new business owners. They possess a strong passion and commitment to their success, and are resilient to challenges.

I remember well starting my own practice. Since I was under 30, it proved to be extra challenging – but also extra rewarding. Like most other young entrepreneurs I meet, I took a big breath, made the plunge, and knew it was either going to be sink or swim.

My most frequent challenge was the fact that I was young and female, and many clients wondered, “Does she know what she’s doing?” After discussions with me, they soon realized that I was capable of handling their affairs.

Then there were other challenges, like having to learn how to run an accounting practice on-the-fly, and the steep learning curve in learning how to network effectively.

Yet I survived all the potential pitfalls by staying committed to my venture, learning to set goals and manage my cash flow, and treating each mistake as an opportunity to learn. My practice has now doubled in size and billings since I started almost two years ago.

There are many differences that I have observed between my older clients and the younger ones. The single most common one is that the younger clients are more about getting down to business and communicate in a “to the point” style that is usually technically savvy.

My older clients, by contrast, usually like to have longer discussions and to communicate in person versus e-mail. Though more old-fashioned, these in-person meetings lead to effective relationship-building.

I find that the younger clients like to be involved in the details of their affairs, and to know what is going on. Older clients tend to have more of a “where do I sign?” mentality.

Lastly, the younger clients are always up for suggestions on making changes to their business in order to become more profitable. While that’s the type of advice they seek, many of the older clients, by contrast, have more of an “if it isn’t broken, why fix it?” attitude.

### The importance of accounting

Most business owners hear the word “accounting,” and want to run in the other direction. Efficient record-keeping and bookkeeping are, however, vital to the success of any business.

A common trend I have seen in my young entrepreneurial clients is a marked willingness to begin their business in an organized and well-informed way. They are open to learning about:

- Systems for keeping paperwork and receipts more organized.
- Record-keeping for complex business deals.
- Whether or not to expand their business.
- Planning for adequate cash flow.
- Assessing their bookkeeping requirements for a monthly, quarterly or annual basis.
- Advantages and disadvantages of incorporating.

Like the word “accounting,” the mention of “tax” alarms my clients. But I stress to young entrepreneurs that tax planning is essential. Effective planning can save them money that they can put to good use for their operations.

Often when I explain a tax-action plan to young entrepreneurs, they actually become excited to be a part of it. They see the instant benefit to such planning and the savings that will go into their pockets. In helping them plan, I ask them to take into consideration:

- Setting up one corporation versus multiple for maximum planning.
- How the shares should be allocated for the business.
- Selecting a year-end that has the most tax benefits.
- How to take advantage of the small business rate.
- What to do when your income is over the small business rate.
- Use of the lifetime capital gains deduction.

Young entrepreneurs are engaged, curious, interested, and willing to learn. These characteristics, coupled with practical accounting and tax advice, add up to a formula for success.